

Message Text

CONFIDENTIAL

PAGE 01 ISLAMA 06396 040423Z

21

ACTION EB-11

INFO OCT-01 NEA-14 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-07 L-03

DRC-01 /077 W

----- 007780

P R 031140Z JUL 74

FM AMEMBASSY ISLAMABAD

TO AMEMBASSY KABUL PRIORITY

INFO BEIRUT 1505

AMCONSUL KARACHI

AMCONSUL LAHORE

SECSTATE WASHDC 5600

C O N F I D E N T I A L ISLAMABAD 6396

BEIRUT PASS CIVAIR ATT

E.O. 11652: GDS NA

TAGS: AF, PK, ETRN, PFOR

SUBJECT : AFGHAN NATIONAL AIRLINE SUSPENDS SERVICE TO AND FROM
PAKISTAN

REFS: A) KABUL 4125 (NOTAL)

B) ISLAMABAD 6359 (NOTAL)

1. SUMMARY. MINISTRY FOREIGN AFFAIRS OFFICIALS STATE
THAT GOP ACTION RESTRICT ARIANA DUE SOLELY COMMERCIAL
CONSIDERATIONS BROUGHT ABOUT BY ALLEGED ILLEGAL DISCOUNT SALE
PRACTICES BY ARIANA. BECAUSE OF THESE PRACTICES ARIANA
HAS GARNERED 98 PERCENT OF ALL PAKISTAN-AFGHANISTAN AIR
TRAFFIC. SUBJECT TO FURTHER INFO FROM CONGEN KARACHI,
EMBASSY PLANS NO FURTHER REPRESENTATION. END SUMMARY.

2. DURING CALL ON DR. BHATTY, DIRECTOR-GENERAL U.N.
AND ECONOMIC COORDINATION, MFA, ON JULY 3, ECONOMIC/
COMMERCIAL COUNS. ASKED IF MFA COULD PROVIDE ANY INFOR-
MATION ON ARIANA-PIA DISPUTE. BHATTY THEREUPON HELD
LONG PHONE CONVERSATION WITH MR. KHAISHGI, DIRECTOR AFGHAN-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ISLAMA 06396 040423Z

ISTAN AFFAIRS, MFA, AND SHARED FOLLOWING INFORMATION:

-(A) THE DISPUTE IS PURELY AN INTER-AIRLINE MATTER AND POLITICAL CONSIDERATIONS ARE NOT INVOLVED;
B) THE PROBLEM RELATES TO THE IMBALANCE OF BENEFITS ACCRUING TO PIA AND ARIANA LARGELY BROUGHT ABOUT BY ARIANA'S ILLEGAL DISCOUNT SELLING PRACTICES. ARIANA HAS BEEN OFFERING LAHORE-LONDON (AND VICE-VERSA) DISCOUNT FARE OF \$160 EACH WAY WHICH IS LESS THAN HALF THE STANDARD IATA FARE. THIS HAS ENABLED ARIANA TO GARNER 98 PERCENT OF ALL TRAFFIC BETWEEN KABUL AND PAKISTAN VERSUS 2 PERCENT FOR PIA. IN FY-1973/74, PIA ESTIMATES AIRANA EARNED \$2.6 MILLION FROM ITS SERVICES TO AND FROM PAKISTAN AS AGAINST PIA EARNINGS OF ONLY \$60,000.
C) ARTICLE IV OF THE AFGHANISTAN-PAKISTAN BILATERAL AIR AGREEMENT PERMITS CONSULTATIONS BY EITHER PARTY AT SIX-MONTH INTERVALS TO REVIEW BENEFITS GOING TO EACH PARTY UNDER THE BILATERAL TO ENSURE MUTUAL SATISFACTION. WHEN PAKISTAN ASKED FOR A CONSULTATION REVIEW MEETING, BECAUSE OF THE PROBLEM DESCRIBED, THE AFGHANS STALLED FOR FOUR MONTHS AND THEN WHEN MEETING WAS HELD REFUSED TO DISCUSS ANY CHANGE IN THE EXISTING ARRANGEMENT. BECAUSE ON THIS INFLEXIBLE ATTITUDE, THE GOP FELT IT HAD NO RECOURSE BUT TO TAKE UNILATERAL ACTION TO LIMIT THE NUMBER OF PASSENGERS CARRIED BY ARIANA. BHATTY ADDED PARENTHETICALLY THAT RESTRICTING THE NUMBER OF PASSENGERS IS NOT AN UNUSUAL PRACTICE, FOR PIA IS SO RESTRICTED BY IRAN FROM PICKING UP TOO MANY PASSENGERS FROM TEHRAN ; AND
D) AS REGARDS THE AFGHANS THREAT TO STOP ALL AIR TRAFFIC BY JULY 15, GOP NOTES THAT SINCE ARIANA NOW ENJOYS 98 PERCENT OF THE BUSINESS IT IS GOING TO BE HURT FAR MORE THAN PIA. GOP HOPES THAT GOA AND ARIANA WILL ADOPT A MORE FLEXIBLE POLICY TOWARDS CORRECTING THE IMBALANCE IN BENEFITS.

2. COMMENT. IN VIEW OF ABOVE, AND SUBJECT TO FURTHER INFORMATION AND VIEWS OF CONGEN KARACHI, EMBASSY DOES NOT BELIEVE THAT ANY FURTHER REPRESENTATION BY USG TO GOP WOULD BE APPROPRIATE. OUR OWN GUESS IS THAT GOP 40-PASSENGERS PER MONTH RESTRICTION ON ARIANA IS TACTIC DESIGNED TO PUT PRESSURE UPON AFGHANS TO BE MORE FORTHCOMING IN NEGOTIATING NEW ARRANGEMENT WHICH WOULD GIVE PIA LARGER SHARE OF PIE.
BYROADE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ISLAMA 06396 040423Z

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, ARBITRATION, AIR TRAFFIC DATA, PASSENGER TRANSPORTATION, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ISLAMA06396
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740177-0697
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740778/aaaacopb.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) KABUL 4125 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2002 by boyleja>; APPROVED <20 FEB 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: : AFGHAN NATIONAL AIRLINE SUSPENDS SERVICE TO AND FROM PAKISTAN
TAGS: ETRN, PFOR, AF, PK, ARIANA
To: KABUL
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005